

810-3-75-.04 Voluntary Withholding.

(1) Alabama income tax is not required to be withheld from retirement distributions, pensions, interest payments or other payments which are not wage payments. However, voluntary withholding of Alabama income tax from such payments is permissible. If the election to voluntarily withhold Alabama income tax is made, procedures outlined in this **regulation rule** must be followed.

(2) Remitting Tax Withheld. Tax withheld voluntarily must be remitted to the Department in the same manner and at the same time as described in §40-18-74, Code of Alabama 1975.

(3) Statement To Be Furnished Recipient. On or before January 31 of the year following a non-wage payment from which Alabama income tax was voluntarily withheld, the payer shall issue the recipient a **Form 1099 statement** showing the following information:

(a) Amount of payment.

(b) Amount of Alabama income tax withheld.

(c) Amount of federal income tax withheld.

(d) Name, address and social security number of recipient.

(e) Payer's name, address, Alabama withholding tax account number and social security number or federal identification number.

~~(4) (a) The statement required in paragraph (3) above, may be prepared on Form 99, copies of which are available on request from the Department.~~

~~(b) In lieu of Form 99, the combination state and federal Form 1099 may be used. If federal forms are used, such forms must contain the same information as described above in paragraph (3).~~

~~(c) Payers of non-wage payments may elect to produce their own forms. In such cases prior approval from the Department must be obtained. Specifications and instructions for producing such forms may be obtained from the Department.~~

~~(5) (4) Statement To Be Furnished Department.~~

(a) On or before the last day of **February January** of the year following a non-wage payment from which Alabama income tax was voluntarily withheld, the payer shall file with the Department a copy of the statement described above in paragraph (3). Such statement must be accompanied by Form A-3, Annual Reconciliation of Alabama

Income Tax Withheld. This statement must be filed in the same manner and at the same time as described in §40-18-75.

(b) If Alabama income tax has been withheld from wages and reported on Form W-2 and also withheld from non-wage payments and reported on ~~Form 99 or~~ Form 1099, such statements must be submitted in a combined report with the Form A-3 **as detailed in Rule 810-3-75-.03.**

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